

**MEMO ENDORSED****PRYOR CASHMAN LLP**

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October 9, 2013

**VIA ELECTRONIC MAIL**

Hon. Andrew L. Carter, Jr.  
 United States District Judge  
 U.S. District Court – Southern District of New York  
 500 Pearl Street, Room 725  
 New York, NY 10007

USDC SDNY
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**Re: Zelouf International Corp. v. Lito et al., No. 13 CV 1788 (ALC) (JCF)**

Dear Judge Carter:

Pursuant to the Court’s direction, counsel for Zelouf International Corp. (“Zelouf”) and Na El, Inc. (“Na El”) submit this joint status report.

As Your Honor will recall, Na El contends that this Court does not have jurisdiction over it in this matter, and filed a motion to dismiss. In compliance with the Court’s recent Order, counsel for Na El produced certain responsive documents related to jurisdictional discovery. Zelouf has reviewed the production and believes it is clear that Na El is subject to jurisdiction in this judicial district. Accordingly, Zelouf will not avail itself of the opportunity to depose representatives of Na El at this stage. Rather, we propose submitting papers in opposition to Na El’s Motion to Dismiss on or before November 1, 2013. Reply papers, if any, would thereafter be submitted by counsel for Na El on or before November 15, 2013, following which the parties would await a decision from the Court on the issue of jurisdiction.

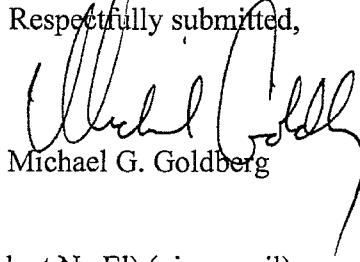
Separately, and not as part of the joint submission of counsel, we write to advise the Court of the deliberate failure of defendant Lito Children’s Wear, Inc. (“Lito”) to produce documents identifying its customers with respect to the designs at issue. Specifically, as the Court will recall, on two separate occasions Your Honor had unambiguously directed that Lito produce all documents and records which identify each of Lito’s customers who purchased and re-sold garments bearing the four infringing designs which are the subject of this action. The Court has already ruled that this discovery is absolutely necessary to enable Zelouf to identify the other potential defendants, and must be produced promptly to avoid further, unnecessary delay in the prosecution of this case. Lito has ignored both of the Court’s prior Orders (and repeated requests from the undersigned), and has inexplicably withheld all of the relevant documents. In light of this unjustified intransigence, we request either a further Order requiring the immediate production of this information by Lito, or leave to file a motion to compel and for sanctions against Lito for its willful disregard of the Orders of this Court.

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Thank you for your consideration of the requests advanced herein.

Respectfully submitted,

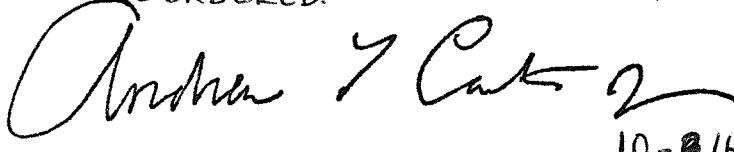
  
Michael G. Goldberg

cc: Michael Steger, Esq. (counsel for defendant Na El) (via e-mail)  
Todd D. McCormick, Esq. (counsel for defendant Lito) (via e-mail)

The Court accepts the parties' proposed briefing schedule. Plaintiff shall submit papers in opposition to Na El's Motion to Dismiss on or before November 1, 2013. Defendant Na El shall submit reply papers on or before November 15, 2013.

Plaintiff is GRANTED leave to file a motion to compel and for sanctions against Defendant Lito.

SO ORDERED.

  
Andrew L. Carter  
10-16-13